of America

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APRIL 1991 Newsletter

Association Grows to Over 50 Members

MII users across the nation have responded resoundingly to the call to form a national association. As of press time, over 50 MII users had enlisted their facilities in the association, dedicated to providing a vehicle for mutual problem solving and information exchange among users. More importantly, a valuable database of information is being generated that will prove vitally important in the future. A concerted effort to raise awareness on such issues as service and support, tape availability and equipment interface is now underway.

A comprehensive feedback network is being configured with Panasonic to insure that MII facilities are heard at every level. Speaking as one voice, America's MII users have a new, effective independent avenue for communication with the manufacturer and the video production community at large.

In the coming months, advertisements will be placed in several trade publications nationally, to facilitate public awareness of the MII Users Association of America, the location of member facilities and the group's organizational activities. As membership grows, the ads will feature the names and addresses of new member facilities. As a service to members, we are listing those facilities who have joined the association as of NAB 1991, at the end of this newsletter.

Inside...

- An Interview with Panasonic Broadcast President Stan Basara
- Monthly Survey Questions
- "It's time for promises to be fulfilled" Commentary from the Executive Director
- Membership Directory
- Panasonic to Provide Additional Service Support

Commentary from the Executive Director

The response has been overwhelming. We had no idea that when we expanded the MII Users Group of the Mid Atlantic to a national level that users though out the country would react so positively. Your interest is greatly appreciated.

In the past few months I've been engaged in discussions with Panasonic on a range of issues that have been raised by the membership. The formation of a national MII users group could not have come at a more fortuitous moment. The merging of Panasonic Broadcast into the Audio Video Systems Group and then the subsequent unexpected change in leadership at AVSG, (Steve Bonica taking over for Steve Yuhas) has meant a re-alignment throughout the organization that will effect MII users. I have been noticeably impressed with all the Panasonic people I've met. They are dedicated workers who want to work diligently to support the MII format. However many are still waiting for guidance from management to find out where they will fit in the new organization.

I've made it clear to the Panasonic leadership that we are encouraged by the added services that AVSG will offer to the MII user... from marketing though service. But there are many needs users have now that require immediate response. It is important to remember that all the users I've dealt with are happy with the MII format and believe in it and are behind it, (some since 1987). They've committed their businesses to MII ... which means everything from second mortgages on homes to wagering that they'll be able to make payroll to their employees' and ensure the welfare of their employees families. The users have been patient while Panasonic has re-arranged everything from organizational structure to desk location. It is time for manufacturer promises and commitments to be fulfilled, as we trust they will be. As one voice, we will make our needs known from the local dealers, through headquarters in Secaucus and all the way back to Japan. We will share with Panasonic, the valuable application lessons we've learned in the field to help Panasonic serve us better.

It is important to remember that our success in serving our membership is directly linked to members feeding back their needs. Our administrative coordinator, Debbie Stafford, is waiting to hear from you through fax, phone, letter or even in person. She herself is an experienced MII editor. We look forward to your input.

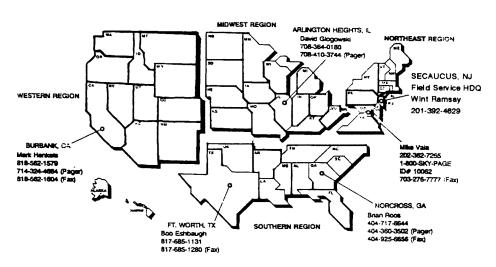
I encourage you to read this newsletter thoroughly. There's an excellent interview with Panasonic Broadcast President, Stan Basara. Hopefully, AVSG President, Steve Bonica will consent to a similar interview in the next issue. At that time we also hope to have more details on interesting user applications, factory updates, etc. In the meantime, we hope to see you at NAB.

Panasonic Begins Extending Additional Service Support to Mil Users

An extensive effort to revamp service support to MII users is underway at Panasonic AVSG. At a recent meeting with Dave Gardy of the MII Users Association of America, Mr. Wint Ramsay, General Manager for Panasonic's Technical Support Division, outlined the program. "We know we've got a lot of work to do," commented Ramsay, "But we're committed to using AVSG's extensive resources to expand the existing arrangement Panasonic Broadcast had in place to provide service support to users. With the new dealer network and recent surge in MII sales, every facet from training to spare parts availability must be enhanced to respond to user needs."

In addition to buffeting existing service bureaus with additional trained personnel, the new plan calls for a expanded and revised training program to insure that there is an adequate supply of professional technicians trained in the MII format. Mr. Ramsay advised all users to-contact the regional representatives listed below corresponding to their specific geographic region, for details of this new service program. He also offered his own phone number (201)392-4629 for users who feel the need to contact him directly with specific service inquires. Mr. Gardy responded that the users welcomed this new effort as the first step towards improvement in an area that the users association has been concerned with in the past. Gardy added that users will monitoring this effort closely to provide rapid feedback to Panasonic on the program results.

National Field Service Engineering



Interview with Stan Basara

This interview was conducted by Dave Gardy, Mil Users Association of America, on Monday April 1, 1991 at approximately 4:00pm

- DG: Stan, as a Panasonic executive who's been with MII from the beginning, what do you feel that the users should know about the future of MII?
- SB: Mil has a tremendous future. The products that we have delivered to the market place and continue to deliver in the market place, serve the broadcasters extremely well. The new low cost Mil is serving the market place even better. We've taken advantage of the fact that we can VLSI a lot of the circuitry and as such save ourselves manufacturing and test costs and pass on the savings to the broadcaster. It indicates not only the fact that Panasonic has the broadcaster, his requirements and needs in mind, but is also willing to take the action that's required to provide and service that broadcaster with those products.
- DG: Let's go to the AVSG question. Panasonic Broadcast was taken over by the Audio Visual Services Group, or was merged under it. Why did this happen? Where are Mil responsibilities falling now? Does AVSG now answer a lot of the Mil questions?
- SB: No, I think that's a misconception to say that Broadcast was taken over by AVSG. What basically happened is that the Broadcast company was selling MII product through a dealer organization, which was common to the Panasonic Industrial Dealer. One would expect that those dealers would be the same group. What we determined is that we were wasting a lot of internal effort pursuing the same people to sell both the Panasonic Industrial Product, the SVHS product, their monitors and so forth, and also the MII product. What we decided about a year ago. Steve Yuhas and I put our heads together and said, how can we best service the market place correctly, but also save the company some money and take advantage of the fact that we've got both groups going out in the same direction. What we've decided to do is to combine our resources, in the areas of financial, accounting and service administration. The PBSC service activity, was limited. Wint Ramsay of AVSG, represents a lot more people in the service area than we did. One of the complaints we had gotten from you Dave, was that we don't have enough people. The Panasonic Industrial Video Group, has over a hundred service people at seven locations in the United States. We could train those people to service not only the VHS product but also to service the MII product line. And that's worked out very well for us, and we're able to provide better service for the broadcaster and for all of the users.
- DG: What about the re-positioning of the MII product to compete with 3/4* prices. Some are concerned that the new lower priced MII will appear to have reduced quality.
- SB: No, we haven't reduced the quality of the product. What we have done, through the magic of VLSI-very large scale integration, is passed on to the user, the benefit of cost reduced circuitry. At the top of the line we still have the AU 665 editing player/recorder. The market place will be very happy with this choice.
- DG: Ok, on that same 3/4 inch cost comparison issue, where some MII users are concerned, has it been worth the effort? Have you noticed that sales have been up? What do you say to users that are concerned about that comparison? (Continues on the next page)

SB: That comparison is a mistaken comparison; we're not comparing low cost MII video quality to a u-matic product, we're saying quite the opposite. What we've allowed the user to do is to get out of the u-matic world, get out of that color under situation, that real beastly second, third generation that looks terrible on your video screen at home. We have now taken him out of that netherworld, into the real world of broadcast quality video at u-matic prices. The only comparison to u-matic is in pricing, not in video quality. This is far and above the video quality in the u-matic area. With u-matic you get down three to five generations and you can just about identify a human being on video because of resolution loss. With low cost MII product, we lay down seven to nine generations and it still looks good. Basically what we've done is we've taken them out of the cellar of u-matic and taken them up to the helights of 1 inch type quality.

DG: But to users, and i'm only belaboring because it's been belabored to me, to users who feel that the market is going to interpret it as you get what you pay for. You don't think it's going to be interpreted by the market as...

SB: Absolutely not, our competition will try to do that. But they've introduced a low cost Beta SP. Why? Because they're the followers in the market place, they're not the leaders in the market place anymore. If it had not been for Panasonic coming out with M product, ten years ago, people would have still been using 3/4 inch. There is no way the competition would have tried to intercept their own product line by bringing out something that was going to kill 3/4 inch. So they brought out their Beta product line, Panasonic countered with MII, and they had to follow on by now coming out with Beta SP. Now we've come out with low cost MII to satisfy the needs of the broadcaster and the production community, the post production community by giving them 1 inch quality at 3/4 inch prices, not 3/4 inch quality at 3/4 inch prices, and our competition has followed us again.

DG: Have sales come up because of this new...

SB: Definitely. DG: Yeah?

SB: Yep, sales have doubled.

DG: Doubled? SB: That's right.

DG: Many users have expressed an interest in DX. How will it be sold, through dealers or direct reps? What about the turf battles that may arise between both groups, creating uncomfortable situations, and confusion for the users who want to upgrade. Could you also comment on DX pricing.

SB: Well, first of all let me clear the confusion. There are no turf battles between the dealers and the direct salesmen. Basically, the way it's set up is that the direct salesmen will call on all call letter stations, the major teleproduction and post production houses, and major cable system operators. The dealer sales force calls on the corporate industrial market place, by that we mean not only the Fortune 500's but also government and industry, and schools that we were having difficulty covering with our limited sales force. Now that we've doubled our sales force we have expanded our ability to service the customer and to bring the message to the customer that Panasonic Broadcast has the product that will help him do the job that he needs to do for his customers and to raise his level of profitability. (Continues on the next page)

SB continues: That defines the two market places. Where we run in to each other in the market place, we will work and cooperate with the dealers. Our responsibility is to increase Mil penetration, to increase Mil sales and if the dealer has the inside track with a customer, it could even be a call letter station, to help make the sale with dealers. There are no turf wars. I don't know where that impression comes from. Our goal is cooperation, the enemy is not us, the enemy is the competition and we're out there to beat them, not to beat each other.

The question about DX. Right now DX will be handled by the direct sales force only. The reason basically is that the direct sales force will be the only activity that will be trained in the very near future to sell the DX, D3 type product line. At some point in the future we may come to the conclusion that we want to make D3 available to everybody because again we're looking for market penetration and if it's better for market penetration to have both direct and dealer sales force handle the DX product it will be done, just as with Mil.

- DG: Ok, but right now to start with, DX is only going to be handled by the direct people?
- SB: That's correct.
- DG: Even if a dealer would come with an industrial or government client he could still get credit for it?
- SB: Yes, if the dealer has the inside track, the direct people will help them sell it, I have two examples of it already. Where customers have come to the dealer with a D3 opportunity because they had been selling the MII product to that customer. We said, fine we'll work with you on it. Again, our aim is to crack the market place and to get the market to use our product rather than the competitors product. The list price is \$60,000.
- DG: Ok, this question comes from Debbie, our administrative coordinator, who has been dealing with the users. Many users are frustrated by the dominance of BetaCam. Some feel they're not being supported when Panasonic really starts advertising the new DX format, like they are kind of abandoning Mil. Is there something you can say to address those fears?
- SB: This question is similar to the, "when did you stop beating your wife" question. I haven't heard anybody saying we're abandoning the Mil format; how can they say that when we've just introduced a new low cost Mil format. It would be stupid of us to introduce a new product and not support it.
- DG: Well, believe it or not Stan, I'm just giving you the feed back, don't shoot the messenger, that's what they're saying, and we'll quote you on what you said, that you're not abandoning it.
- SB: We are totally facilitated to support both product lines, not only in the sales activity, we've doubled our sales force, we've made MII available to the dealer sales force, we've introduced a new product line in the DX. Take a look at our advertising that's out in the market place. That's total commitment to the broadcast business.

(Continues on the next page)

- DG: Questions on spare parts and tape availability have been asked by many users. In one case we've been told parts were not available last year because NBC bought out the inventory with extra funds left over at the end of their fiscal year, Ninety Minute tapes were bought out by NBC for the war effort. Is there some way that Panasonic can insure that facility owners aren't subject to the droughts that are caused by a giant like NBC? Will there ever be tape consignment to the new dealers that are there so that they always have a supply?
- SB: Ok, let me try to answer the first part of the question, it's a shame that NBC gets hung with these things because it's not NBC, NBC is a big user obviously and they use a lot of VTR product, and tape product, but if we're in short supply that's not NBC's fault that's our fault we did not forecast the future correctly. But I'd like to say that no one could forecast that the war in the middle east was going to start when it did. I think that we all were surprised when it started and equally surprised when it ended. Those things happen in the market place, even with our competition, everybody gets caught, running long on inventory and short on inventory. Now as far as supporting customers we have air shipped product into the United States to be sure that our customers are never left short of product. As far as tape is concerned it is now available to the dealers on a resale basis.
- DG: I know Yuhas had told me one time that we could do a consignment thing, just to make sure that geographic regions were covered, to try to insulate fluctuations in supply. Do you see the consignment going out to the dealers?
- SB: No, as I said, MII tape is now available to dealers on a profitable basis. This eliminates the need for consignment.
- DG: Well, the only reason I say that is because in the end, people have been in the mode where they've got the equipment and they can't use the machines because they don't have the tape. When the 90 minute stuff ran out, MII's big advantage is its field capability, that eliminated that. There are pienty of people who called us up geographically saying there is a tape drought. All we're asking for is the factory to acknowledge that maybe there could be some program set up. Could you look into some kind of consignment deal where you guys consign to dealers and the dealers have it there when people need it. In the end it's only good for everybody because that means more MII is getting produced
- SB: What we have to decide, and the reason for the difficulty in setting up some consignment is, what is the correct geographic approach. Because I can give you equipment or tape in Chicago, I haven't solved the problem of a request in Des Moines, Iowa. How many different places do we have to place the product, and where is the best place to locate it.
- DG: Yeah, and that leads us into our final question which is; What kind of feedback, that you feel you'd like to get from users inthe association. We go out and let people speak their minds, and Panasonic has been good enough agree to support with loaner equipment, exhibit facilities. What do you want back from us in terms of things that will help you out, help you in the end, serve us better. What kind of feed back are you looking for?

(Continues on the next page)

SB: I'd like to know, honestly, the kinds of problems that you're having and how we can help you around these situations. The tape situation is a good indication of the type of feed back that we need. If there is a particular problem with one of our products, we need to know that as soon as possible so that we can take corrective action. I'd like, as you have been in the past, to be honest and forthright about feedback. It's not always good news that's coming back, but that's fine, because we can take the corrective action that's required. Our cart machine users group helps us in this way and I would expect that would extend over into the MII users group also.

DG: Great, Stan, thanks for your time.

SB: Thank-you, Dave. See you at NAB.

If you are not currently a member of the MII Users Association of America and would like to join, please contact us by phone, Fax or Mail at:

(800) 966-1030 (703) 339-8500 Fax (703) 339-5406 MII Users Associ ation of America c/o GMG International, Inc 8580 Cinderbed Rd., Suite 1000 Newington, VA 22122

Attn: Debbie

If you write or fax us, please provide your name, company name, mailing address, phone number (fax too), and if you could tell us a little about your company and its MII use.

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MII Users Association of America

Membership Listing

2PM Multimedia Jim Wine P.O. Box 2 Linden, VA 22642 (703) 636-4142

AHO Graphics Alian Ostling 1089 3rd Ave., SW Suite 202 Carmel, IN 46032 (317) 844-6322

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C-SPAN Brian Lockman 444 North Capitol Street ' Suite 412 Washington, DC 20001 (202) 737-3220

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David Larson Productions David Larson 5910 Lilly Road Menonee Falls, Wi 53051 (414) 252-4122

Duff Video Productions Ron Duff P.O. Box 881 Cape Giardeau, MO 63702-0881 (314) 334-1189 (Continues next page)

(Members continued)

Ed Janik Productions Ed Janik RR 2, Box 94C Pleasant Plains, IL 62677 (217) 626-1976

E.I. Dupont Jack Green 901 W. Dupont Ave. Belle, WVA 25015 (304) 357-1835

The Family Channel Russ Murphy 1000 Centerville Turnpike Virginia Beach, VA 23463 (804) 523-7874

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On Location Video Services Mr. Mel Rainer PO Box 35657 Houston, TX 77035 (713) 728-1020

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Preston Trucking Bob Lyons 151 Easton Blvd. Preston, MD 21655 (301) 673-7151 Prince Georges County Office of Television Resources Don Mattingly 8437 Landover Road Landover, MD 20785 (301) 386-1629

Professional Products, Inc. James Baldwin 4964 Fairmont Ave. Bethesda, MD 20814 (301) 657-2141

Public Broadcasting Service Mark Richer 1321 Braddock Place Alexandria, VA 22314 (703) 739-5471

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(Members Continued)

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Wshington Natural Gas John Cox 815 Mercer Street Seattle, WA 98111 (206) 622-6767

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Monthly Survey Questions

Each month the users association will poll users on specfic MII Issues and publish the results in the next newsletter. This months questions are:

	(circle one) ments	ow would you grade to Excellent	Good	Fair	Poor
Do you feel there		tape availability in you Yes	ur geographic No	area, for q	uick response
If not, do you this	nk that the manufa	cturer should suppy t	he tape in qui	antity to des	ilers on a
consignment bas Additional Com	sis? (circle one) ments	Yes	No		

Write to us at: MII Users Association of America Or give us a call at: (800) 966-1030 c/o GMG International, Inc. or (703) 339-8500 8580 Cinderbed Rd.,Suite 1000 Or Fax us at: (703) 339-5406

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Attn: Debbie